

California School-Based MAA Manual

SECTION 11

Instructions for Preparing the MAA Detail Invoice and the MAA Summary Invoice

Subject	Page
INTRODUCTION	11-1
HOW TO ENTER PERCENTAGES/ROUNDING	11-2
CONSTRUCTING COST POOLS	11-2
ACTIVITIES AND MEDI-CAL PERCENTAGES WORKSHEET	11-4
LEA COST COLLECTION WORKSHEET	11-5
COSTS AND REVENUES WORKSHEET	11-7
DIRECT CHARGES WORKSHEET	11-10
FFP CALCULATIONS WORKSHEET	11-13
CLAIMING FOR SUBCONTRACTORS	11-14
SUBMITTING THE MAA DETAIL INVOICE AND THE MAA SUMMARY INVOICE	11-14
PAYMENT PROCESS	11-15
SUBMITTING CORRECTIONS AND REVISIONS	11-16
CHECKLIST FOR THE MAA DETAIL INVOICE	11-17
CHECKLIST FOR THE MAA SUMMARY INVOICE	11-19

INTRODUCTION

The instructions for the MAA Detail Invoice, with supporting worksheets, and the MAA Summary Invoice are to be used for the MAA claiming process initiated July 1, 2003. The results of the MAA Detail Invoice flow into the MAA Summary Invoice, which is submitted along with the MAA Detail Invoice. A sample MAA Invoice is in Appendix C. The MAA Detail Invoice includes the following claiming documents:

- Activities and Medi-Cal Percentages Worksheet
- LEA Cost Data Collection Worksheet
- Costs and Revenues Worksheet
- Direct Charges Worksheet
- FFP Worksheet

The MAA Detail Invoice integrates the costs and the funding source elements that must be offset to derive the amount of FFP. The amount to be reimbursed is determined when the net costs are factored by the appropriate Medi-Cal discount percentage and activity percentages determined from the time study.

Before preparing the invoice, review the following documents to ensure you are using the most current information:

- PPLs
- Operational Plans
- Applicable MAA Contracts
- The School Manual

Before submitting a MAA Detail Invoice and the MAA Summary Invoice, the operational plan **must** be completed and all required materials maintained in an audit file (see Section 8). The information entered on the MAA Detail Invoice **must** be consistent with that found on the Grid.

The MAA Detail Invoice includes four cost pools, three of which are identified on the Costs and Revenues Worksheet and one of which is identified on the Direct Charge Worksheet. All costs for the claiming unit must be reported on these worksheets. The costs pools are described later in this section and are named:

1. Time Survey Cost Pool
2. Direct Charge Cost Pool
3. Others Cost Pool
4. Allocated Cost Pool

*Note: All personal services **and** subcontractor contracts must be noted in the Claiming Unit's operational plan, and the associated costs must be tracked separately if they are coded as a contract service.*

The specific Medi-Cal Discount Percentage and the results of the time survey are reported on the Activities and Medi-Cal Percentages Worksheet.

Data should only be entered where indicated by these instructions. Data should NEVER be entered in the shaded areas. Doing so will alter the spreadsheet and, therefore, incorrectly calculate the components of the claim resulting in an erroneous amount of reimbursement. Data to be input is obtained from external sources, such as accounting system reports, spreadsheets, journals, and payroll records. Only those costs and funding sources applicable to the claiming entity should be included. Once all the items are entered, the spreadsheet will automatically calculate the remainder of the claim.

All data entered on the invoice must include documented evidence linking it to the specified cost pool or funding source designation and must be maintained in the audit file. For example, salaries and benefits assigned to staff by entry into the Time Survey Cost Pool should be evidenced by payroll documentation to show the expenditure of such salaries and benefits.

HOW TO ENTER PERCENTAGES

The worksheet cells in which a percentage must be entered have already been formatted to display as a percent. Use the decimal form when entering percentages. For example:

- 35 percent should be entered as “35”
- 5.5 percent should be entered as “5.5”
- 100 percent should be entered as “100”

ROUNDING

All numbers should be rounded to two decimal points. If the third decimal place is a “5” or higher, round up. Otherwise, round down. For example:

- 35.674 percent should be entered as “35.67”
- 12.075 percent should be entered as “12.08”
- 49.463 percent should be entered as “49.46”

CONSTRUCTING COST POOLS

For each period claimed, all costs and funding sources of the claiming entity either must be assigned to one of the cost/funding pools or must be direct-charged. The LEC/LGA has the option of either including all costs and funding for a program or including only those costs and funding amounts for the unit performing the MAA. The second option is only permissible if the costs are in a separate budget unit and can be separately identified. An example might be claiming for school nurses who perform MAA and whose costs are in a separate budget unit and can be separately identified.

Time Survey Cost Pool

Staff whose costs should be included in the Time Survey Cost Pool consist of the following:

- Staff who participated in the time survey (Participant).
- Clerical staff that support the participant.
- Supervisors of the participant.
- Supervisors of the clerical staff who support the participant, if they are different from the participant.
- Personal Services Contractors who directly support the participant and are not direct-charged.
- Personal Services Contractors who time-survey to determine MAA costs because the contract language is nonspecific as to the MAA to be performed.

A participant in the time survey may include any individual who may have direct contact with students and either provide a MAA service or potentially provide a MAA service. This could include, for example, a bilingual school janitor who provides interpretation related to Medi-Cal for a non-English-speaking student or a school psychologist who refers students to Medi-Cal-covered services.

Direct Charge Cost Pool

Includes the costs associated with staff that did NOT participate in the time survey and are NOT included in any of the other cost pools. Direct charge costs should be entered on the Direct Charge Worksheet. Typically, items to be direct-charged include those items for which the associated costs can be easily identified and tracked on an ongoing basis. Examples include:

- a. A subcontractor contract that **specifically** defines the MAA activities to be performed and the costs associated with each of those activities.
- b. The costs associated with an employee who may perform only one of the MAA allowable activities 100 percent of the time.
- c. The costs associated with an employee who may perform multiple allowable MAA activities, each of which can be easily tracked and identified.
- d. The costs associated with MAA Coordinators.

Others Cost Pool

Includes the costs associated with staff that did not participate in the time survey, are not included in any other cost pool, and are not included in the Direct Charge Worksheet. Typically, this includes staff providing direct medical services and classroom instruction and staff who are included in the Claiming Unit's indirect cost rate calculation.

Allocated Cost Pool

Costs include general and administrative staff in the Claiming Unit who:

- Did not time-survey, whose costs are not direct-charged, and by the nature of their work, support the staff in the other cost pools.
- Perform certain administrative functions whose costs are not included in any indirect cost rate for the Claiming Unit. Costs included in the Claiming Unit's indirect cost rate calculation should be included in the Others Cost Pool.

Staff included in the Allocated Cost Pool may include management, secretarial, fiscal, supervisory, and clerical staff not included in any other cost pool. Their costs will be allocated to each of the other three cost pools based on each cost pool's ratio of personnel costs to the total personnel costs of those three cost pools.

Note: Costs of certain functions, such as payroll, maintaining inventories, developing budgets, executive directions, etc., are considered overhead and are only allowable through the application of an indirect cost rate, and therefore may not be included in the Allocated Cost Pool. A Claiming Unit might want to include in the Allocated Cost Pool, for example, the costs used to calculate its indirect cost rate; however, these costs are subsequently allocated to each of the other three cost pools, and the Claiming Unit would be billing for the same costs twice, which is not allowed.

ACTIVITIES AND MEDI-CAL PERCENTAGES WORKSHEET

Invoice Information

Rows 1–9: Enter the information as indicated in the unshaded areas.

Note: The name of the Claiming Unit on the MAA Detail Invoice and attachments MUST match the name on the Operational Plan.

Activities and Medi-Cal Percentages

The Medi-Cal Discount Percentage represents a ratio of Medi-Cal students to total students in the Claiming Unit. The approved method to calculate the discount percentage is the Actual Client Count (ACC), which is obtained from DHS in the form of a Tape Match that provides the actual count of Medi-Cal students in a particular Claiming Unit. This percentage must be recalculated for each quarter billed.

Time surveys will be conducted a minimum of three times each year. DHS will designate a one-week MAA Time Survey period for each of the first, second, and third quarters. During each quarter, the designated one-week period will vary to ensure a valid basis from which current fiscal year costs are claimed. The fourth-quarter survey shall be an average of the prior three. To create an average for the fourth quarter, the LEA must have time-surveyed the first three quarters. If an LEA cannot create an average for the

fourth quarter and would like to submit an invoice for the fourth quarter, it must time-survey during the fourth quarter. If the LEA chooses not to use the average or has not time-surveyed for all three quarters, it may time-survey in the fourth quarter. The time survey is used to allocate the time of the Claiming Unit's staff between the different MAA and non-MAA activities. This survey serves as the basis for allocating the salary and benefit costs of the staff included in the Time Survey Cost Pool.

Column C: Enter the Medi-Cal Discount Percentage for the period being claimed at **Row 13**. Once entered here, the discount percentage will be transferred to the other worksheets of the MAA Detailed Invoice where necessary.

Column D: Enter the results of the time survey by Activity and Code in the unshaded areas of **Rows 10–25**. See Section 5 for a detailed description of each Activity and its associated Code. All other cells will be automatically calculated.

State-Approved Indirect Cost Rate

Row 27: Enter the Claiming Unit's State-Approved Indirect Cost Rate for the current billing period.

LEA COST-COLLECTION WORKSHEET

The Federal Government requires that actual expenditures be reported. The reported disposition of federal funds may not be based on estimates. Therefore, costs **must** be claimed when they have actually **been incurred**. Although they have not been paid, accrued costs are permitted because they do represent costs that have been incurred. An encumbrance does not represent an incurred cost.

Identifying total costs for a billing period will require the Claiming Unit to use and rely on its financial information system and the uniformity of the State's standardized account code structure (SACS). The SACS coding structure will allow the Claiming Unit's costs to be separated into each of the four cost pools using the four-digit SACS Function code as follows:

1. Determining Total Salary Costs

- a. Produce an expenditure report of the Claiming Unit's salary costs (Objects 1000–2999) for the billing period using only Function codes 1000–9999, excluding Function codes 2700 and 7000–7199. **Enter the total on Row 28, Column A.** This combination of Object and Function codes will provide the amount of gross nonclaimable salary expenditures for the billing period that belong to the Others Cost Pool before we consider which portion pertains to the Time Survey Cost Pool and the Direct Charge Cost Pool.
- b. Produce an expenditure report of the Claiming Unit's salary costs (Objects 1000–2999) for the billing period using only Function codes 2700 and 7000–7199. **Enter the total on Row 32, Column A.** This combination of Object and Function codes will provide the

amount of gross general and administrative salary expenditures (excluding those costs used in calculating the Claiming Unit's indirect cost rate) that belong to the Allocated Cost Pool before we consider which portion pertains to the Time Survey Cost Pool and the Direct Charge Cost Pool.

- c. Identify 100 percent of the salary costs of the Claiming Unit's employees participating in the time study. Once these costs are identified, determine which portion of these costs are coded with Function codes 1000–9999, excluding Function codes 2700 and 7000–7199, and enter the result on **Row 29, Column A**. The balance of the costs for those participating in the time study represents Function codes 2700 and 7000–7199, and should be entered on **Row 33, Column A**.
- d. Identify 100 percent of the Claiming Unit's salary costs to be direct-charged. Once these costs are identified, determine which portion of these costs are coded with Function codes 1000–9999, excluding Function codes 2700 and 7000–7199 and enter the result on **Row 30, Column A**. The balance of the direct charge salary costs represents salary cost coded with Function codes 2700 and 7000–7199 and should be entered on **Row 34, Column A**.

2. Determining Total Benefit Costs

- a. Produce an expenditure report of the Claiming Unit's benefit costs (Objects 3000–3999) for the billing period using only Function codes 1000–9999, excluding Function codes 2700 and 7000–7199. **Enter the total on Row 28, Column B**. This combination of Object and Function codes will provide the amount of gross nonclaimable benefit expenditures for the billing period that belong to the Others Cost Pool before we consider which portion pertains to the Time Survey Cost Pool and the Direct Charge Cost Pool.
- b. Produce an expenditure report of the Claiming Unit's benefit costs (Objects 3000–3999) for the billing period using only Function codes 2700 and 7000–7199. **Enter the total on Row 32, Column B**. This combination of Object and Function codes will provide the amount of gross general and administrative benefit expenditures (excluding those costs used in calculating the Claiming Unit's indirect cost rate) that belong to the Allocated Cost Pool before we consider which portion pertains to the Time Survey Cost Pool and the Direct Charge Cost Pool.
- c. Identify 100 percent of the benefit costs of the Claiming Unit's employees participating in the time study. Once these costs are identified, determine which portion of these costs are coded with Function codes 1000–9999 (excluding Function codes 2700 and 7000–7199), and enter the result on **Row 30, Column B**. The balance of the costs for those participating in the time study should be entered on **Row 34, Column B**.
- d. Identify 100 percent of the Claiming Unit's benefit costs to be direct-charged. Once these costs are identified, determine which portion of these costs are coded with Function codes 1000–9999 (excluding Function codes 2700 and 7000–7199), and enter the result on **Row 30, Column B**. The balance of the direct charge salary costs

represents salary costs coded with Function codes 2700 and 7000–7199 and should be entered on **Row 34, Column B**.

When the above costs have been entered as indicated on the LEA Cost Data Collection Worksheet, the appropriate costs will be automatically calculated and transferred to the corresponding cost pool on the Costs and Revenues Worksheet.

In addition, all accounting reports, fiscal reports, spreadsheets, and other schedules used to complete the LEA Cost Data Collection Worksheet should be retained in the audit file.

COSTS AND REVENUES WORKSHEET

Cost Section

Row 38: Enter the costs for **nonspecific** personal service contracts (PSC) that participate in the time survey, are not direct charge contracts, and directly support the staff participating in the time survey on **Row 38, Column A**. An example of this type of contract might be a contract for general administrative or clerical services that by their nature support a participant of the time survey by preparing or mailing various documents such as Medi-Cal flyers and forms or answering phones.

Nonspecific contracts are those contracts that do not specifically define the MAA activity to be performed or the cost for each MAA activity.

Specific contracts are those contracts that do specifically define the MAA activity to be performed and the cost for each MAA activity. The costs for these contracts should be direct-charged on the Direct Charge Worksheet. For example, this may include a contract to provide a specific MAA service, such as creating and distributing Medi-Cal literature or advertising for Outreach services for a specific cost.

Row 42: Enter 100 percent of the Claiming Unit's Other Costs (Objects 4000–6999) for the billing period only on **Row 42, Column G**. Total Other Costs will first be reduced by the total of personal services contract costs at **Row 38, Column F**, and Direct Charge Other Costs at **Row 39, Column F**, to avoid duplicate billing of costs because these costs are a component of the Claiming Unit's Other Costs total. The invoice will automatically allocate the remaining costs across the Time Survey, Direct Charge, and Others cost pools based on their percentage of personnel costs to total personnel costs of the three cost pools. **Row 41** calculates these percentages and the allocation is calculated across **Row 42**. The Allocated Cost Pool is not considered in this allocation because total costs in the Allocated Cost Pool are subsequently allocated to the remaining cost pools based on the same percentage. Generally, Other Costs include the normal day-to-day and monthly operating expenses necessary to run the Claiming Unit.

Row 43: This row calculates the allocation of costs in the Allocated Cost based on the percentages calculated on **Row 42**.

Row 44: This row calculates a subtotal of costs before applying the Claiming Unit's indirect cost rate.

Row 45: This row calculates the costs of applying the Claiming Unit's indirect cost rate to the subtotal at **Row 45**.

Row 46: This row calculates the totals for each column.

Revenues Section

The purpose of offsetting revenue or funding against costs is to ensure that the Federal Government participates in its share of the costs only once. Failure to offset federal revenues and state/local matches of federal programs against the costs incurred would result in these costs also being applied to the Medi-Cal FFP. The claiming agency would be participating in less than its share by supplanting its share of costs with the federal or other unallowed revenue.

In general, funds that do not have to be offset include LEA general funds, other local funds, and MAA reimbursements. The following rules govern which revenues received by a program must be offset against costs before a federal match is determined.

1. Federal Revenues. All federal funds shall be offset against costs. Including these amounts in the costs will cause the Federal Government to not only fund these costs, but to also pay the Medi-Cal percentage on those amounts, and therefore pay for the same costs twice, which is prohibited by OMB Circular A-87.
2. Matching Revenues. State/local maintenance-of-effort and other matching funds required by the federal grant must be offset. OMB Circular A-87 stipulates that a cost used to meet a matching or cost-sharing requirement of one federal grant may not also be included as a cost against any other federal grant. State/local match funds and maintenance-of-effort funds become federal monies and must be identified accordingly. See Appendix A, MAA Revenue Offset/Match Matrix for a chart on this topic.
3. Previously Matched Revenues. All State General Fund monies previously matched by the Federal Government must be offset. This includes Medi-Cal fee-for-service money. Similar to item 2.
4. Targeted State Funds. State General Funds specifically targeted or earmarked for the delivery of services may not also be used as the local

share of a federal match for administrative activities. For example, a Claiming Unit participates in a federal program other than MAA that stipulates that 30 percent of the total program funds, including the State's share of funding, be earmarked to provide services to economically disadvantaged students. The state and federal funds that are specifically earmarked for that program cannot also be counted as the local share of a federal match for the MAA program and must be offset. However, because this program only supports its intended specific functions and not MAA activities, the corresponding expenditures would not be claimable. Because the targeted revenues would be offset against nonclaimable expenditures, there is no net effect. Similar to "Matching Revenues" described above.

5. Private Health Insurance. Insurance collected from nongovernmental (private health insurance) sources for the delivery of direct client services may not be used as the local share of a federal match for administrative activities. These funds must be offset if the related expenses are included in the MAA invoice.

Row 47: Enter the amount of federal revenue to be offset against each of the cost pools identified on the Cost Section. Each "offset funding" column corresponds to the cost pool column presented on the Cost Section above it. Also, enter a brief description and purpose of the offset/non-offset revenue entered in this row under **Columns G and H**.

Note: Because local matching funds are usually combined and recorded with federal funds, only Row 39 must typically be entered as "offset revenue."

Row 49: Enter the amount of Other State Revenue to be offset against each of the cost pools identified on the Cost Section. Each "offset funding" column corresponds to the cost pool column presented on the Cost Section above it. Also, enter a brief description and purpose of the offset/non-offset revenue entered in this row under **Columns G and H**.

Note: Offsets of Other State Revenue are primarily State categorical sources, which are typically targeted state funds. The expenditures related to these programs are considered nonclaimable expenditures; therefore, they will be included in the Others Cost Pool, Column F. The corresponding revenue will be offset against these nonclaimable expenditures, resulting in a net effect of zero for the MAA invoice.

Rows 47–52: Enter the total amount of all other revenues for each row that are not to be offset under **Column E**. All revenues must be identified whether or not they are to be offset. Also, enter a brief description and purpose of the offset/non-offset revenue entered in this row under **Columns G and H**.

When determining when to report revenue, each Claiming Unit should consult its annual budget. Revenue should generally be recorded against the corresponding cost

of the period. If funds will be received at one time for the entire year, these amounts should be reported as if an equal portion was received each quarter on each quarterly claim. If the entire annual offset revenue is reported in one quarter, it may more than offset that quarter's costs; this could require the LEA to refund money because it overstated its costs for other quarters within a given fiscal year.

Similarly, unanticipated offset revenue for the current fiscal year, or for a prior fiscal year not previously offset, should be offset in the current fiscal year in equal amounts for each quarter. However, should the aforementioned revenue be received in the last quarter of the current fiscal year, it must be reported in that quarter.

For more information on Funding Sources (Revenue), please refer to the PPLs issued under separate cover.

DIRECT CHARGES WORKSHEET

Allowable costs for time and resources related to MAA are determined through either a time survey or separately identified and direct-charged. The purpose of the Direct Charge Worksheet is to capture costs determined through methodologies other than the time survey.

Costs may be direct-charged only if they are identified in the MAA operational plan. Unlike the costs captured through the time survey, costs to be direct-charged must be tracked on an ongoing basis throughout the fiscal year. These costs are separately itemized on the Direct Charge Worksheet and included in the audit file maintained by the LEC/LGA.

Eight cost categories of activities may be direct-charged. The type of activity determines whether the Medi-Cal Discount Percentage applies. The eight activities, and whether the Medi-Cal Discount Percentage applies, are as follows:

Nondiscounted Direct Charge Activities

1. Medi-Cal Outreach. Direct-charging is allowed for Medi-Cal outreach when performing activities that inform eligible, or potentially eligible, Medi-Cal individuals about Medi-Cal and how to access the program. Examples include, but are not limited to, informing individuals about the Medi-Cal program, developing materials to inform individuals about the Medi-Cal program and how and where to obtain those benefits, or distributing literature about the Medi-Cal program.
2. Facilitating the Medi-Cal Application. Direct-charging is permitted for this activity when helping an individual to become eligible for the Medi-Cal program. This includes, among other things, related paperwork, clerical activities, training, and travel required to accomplish this end.

3. Medi-Cal Administration, Coordination, Claims Administration, and Training. Direct-charging is permitted for the costs of staff performing Medi-Cal Administration, Coordination, Claims Administration, and Training. This includes the time that MAA claiming unit coordinators and LEC/LGA coordinators spend in training, conferences, or meetings related to the MAA program. In addition, this category includes administration, such as overseeing, compiling, revising, and submitting claims and reviewing operational plans; and coordination related to the MAA program. Similarly, all related paperwork, clerical duties, and necessary staff travel are included.

Discounted Direct Charge Activities

4. Referral, Coordination, and Monitoring of Medi-Cal-covered Services. Direct-charging should be used to report costs for staff that make referrals for the delivery of Medi-Cal services and who coordinate and monitor the delivery of those services. Related paperwork, clerical activities, and staff travel to perform these activities are also included.
5. Transportation Related to Activities in Support of Medi-Cal-covered Services. The actual cost of arranging for Medi-Cal Non-Emergency, Nonmedical transportation may be direct-charged. These costs do not include bus tokens, taxi fares, mileage, etc. Costs reimbursed cover the administrative activities involved in scheduling or arranging specialized transportation. Related paperwork, clerical activities, and staff travel to perform these activities are also included.
6. Program Planning, Policy Development, and Interagency Coordination Related to Medi-Cal Services. Direct-charging should be used to report costs for staff that perform Program Planning and Policy Development 100 percent of their paid time. If performed less than 100 percent, the costs must be determined through the time survey. This activity would include staff time when performing duties associated with the development of strategies to improve the coordination and delivery of medical, dental, and mental health services to school-aged children and when performing collaborative activities with other agencies or providers. Related paperwork, clerical activities, and staff travel to perform these activities are also included.
7. Translation Related to Medi-Cal Services. Direct-charging is allowed for translation-related Medi-Cal services when staff arrange or provide for translation services to help individuals access and understand treatment and plans of care covered by the Medi-Cal program. Translation services must be provided by or arranged with an individual specifically performing translation functions for the school, and it must facilitate access to Medi-Cal-covered services. Related paperwork, clerical activities, and staff travel to perform these activities are also included.

Direct charges for each of the activities above may consist of the following types of costs:

- **Staff Salary.** For the billing period, 100 percent of the staff member's salary costs must be identified, as well as the percent of time (Medi-Cal Certified Time Factor) spent on the particular MAA activity.
- **Staff Benefits.** For the billing period, 100 percent of the staff member's benefit costs must be identified, as well as the percent of time (Medi-Cal Certified Time Factor) spent on the particular MAA activity.
- **Personal Services Contracts.** If the contract specifically defines the MAA activity to be performed and the cost for each MAA activity, the cost for that contract should be direct-charged.

When determining which costs are to be direct-charged, remember that those costs cannot appear anywhere else on the MAA Detail Invoice as this would result in duplicate claiming. In addition, direct charge costs must be identified in the Claiming Unit's approved operational plan; otherwise, it may not be direct-charged.

Entering Costs in the Direct Charges Worksheet

All costs to be direct-charged are entered on this worksheet. Data from this worksheet are automatically transferred to the Direct Charge Cost Pool on the Costs and Revenues Worksheet. After the appropriate calculations are performed, this data transfers from the Costs and Revenues Worksheet to the Direct Charge areas of the FFP Calculations Worksheet.

Costs should be entered in unshaded cells in the appropriate cost column. Separate columns have been provided to record the costs of salaries, benefits, and personal services contracts as described earlier in this section.

The Medi-Cal Discount Percentage will be automatically applied to the appropriate costs entered on this worksheet based on the activity for which the costs apply.

Personnel Costs:

- **Column A:** List the description of each staff member for whom salary and benefits will be direct-charged under the appropriate MAA activity as defined in the Grid. For example, enter the costs to be direct-charged for a staff member performing Medi-Cal Outreach in **Row 54a** and a staff member to be direct-charged for Facilitating the Medi-Cal Application should be entered in **Row 55a**.

Also, provide a description of each personal service contract charge in this column under the appropriate activity.

- **Column B:** Enter the total Gross Salary of each staff member for the billing period.
- **Column C:** Enter the Medi-Cal Certified Time Factor for each staff member. The Medi-Cal Certified Time Factor represents the actual amount of time spent by the staff member on the particular activity. The Medi-Cal Certified Time Factor entered for Salary costs will automatically be entered for the corresponding Benefit costs of the staff member.
- **Column G:** Enter the total Gross Benefits of each staff member for the billing period.

Note: The claimable and nonclaimable portion of Salary and Benefit costs will be automatically calculated based on the Medi-Cal Certified Time Factor and the Medi-Cal Discount Percentage where appropriate, based on the MAA activity charged.

Personal Service Contracts:

- **Column L:** Enter the costs of personal service contracts to be direct-charged for the billing period in the row corresponding to its description under the appropriate MAA activity. Claimable and Nonclaimable costs will be calculated automatically based on the Medi-Cal Discount Percentage where appropriate, based on the MAA activity charged.

Other Costs:

- **Column P:** Enter the Other Costs to be direct-charged for the billing period in the row corresponding to its description under the appropriate MAA activity. Claimable and Nonclaimable costs will be calculated automatically based on the Medi-Cal Discount Percentage where appropriate, based on the MAA activity charged.

FFP CALCULATIONS WORKSHEET

No information is to be entered in any of the cells in the FFP Calculations Worksheet. All information is generated by information entered by the Claiming Unit in the four other worksheets as previously directed. This worksheet performs the following functions:

Rows 62–66: Costs are accumulated according to one of the four cost pools (Time Survey, Direct Charge, Others, and Allocated) from the Costs and Revenues Worksheet.

Rows 67–68: Revenues are offset against the appropriate costs.

- Row 70:** **All MAA Time Survey costs** (net of offset revenues) are applied against the percentage determined by the time survey results from **Row 26, Column F**, of the Activities and Medi-Cal Percentages Worksheet. This percentage already incorporates the Medi-Cal Discount Percentage. Those results are then applied against the Medi-Cal Federal Financial Participation percentage or 50 percent at **Row 71**.
- Row 71:** **All Direct Charge costs** (net of offset revenues) are only applied against the Medi-Cal Federal Financial Participation percentage, or 50 percent. Where appropriate, the Medi-Cal Discount Percentage has already been applied to the direct-charged costs on the Direct Charges Worksheet.
- Rows 73:** After applying the Medi-Cal Discount Percentage and the Federal Financial Participation percentage, the results are added together and the outcome represents the "Total Federal Share" of the MAA costs for the billing period and is displayed at **Column B, Row 64**. This amount is transferred to the MAA Summary Invoice for billing.

CLAIMING FOR SUBCONTRACTORS

The costs for subcontractors providing MAA-related services should be billed in a manner similar to personal services contracts and included in the invoice for the Claiming Unit as follows:

Specific Contracts

If the contract is "specific," meaning that the contract specifically defines the MAA to be performed and the amount to be paid for each activity, the costs should be direct-charged and entered in the Direct Charges Worksheet under the "Personal Services Contracts" column (Column L) on the row corresponding to the appropriate activity.

Nonspecific Contracts

If the contract is "nonspecific," meaning that the contract does not specifically define the MAA activities to be performed and the amount to be paid for each allowable activity, the contractor's staff must time-survey and include those costs in the Time Survey Cost Pool at Row 39, Column A, of the Costs and Revenues Worksheet.

SUBMITTING THE MAA DETAIL INVOICE AND THE MAA SUMMARY INVOICE

It is the responsibility of the MAA Coordinator to review all invoices for completeness and accuracy prior to submitting them to DHS. Invoices submitted using an incorrect format will be returned without being reviewed. To expedite the review and payment process, it is necessary to follow all the instructions. The following items must be included:

- MAA Summary Invoice
- Activities and Medi-Cal Percentages Worksheet
- LEA Cost Data Collection Worksheet
- Costs and Revenues Worksheet
- Direct Charges Worksheet (if claiming)
- Federal Financial Participation (FFP) Calculations Worksheet
- Review Checklist for MAA Summary Invoice
- Supporting Documentation, when requested

The original and two copies of the MAA Summary Invoice along with all pertinent worksheets are required. Only the original of the supporting documentation and review checklists are necessary. Invoices must be submitted to the Claiming Unit's appropriate LEC/LGA.

PAYMENT PROCESS

MAA claims are submitted to DHS, Administrative Claiming Operations Unit (ACOU). The invoices are reviewed for fiscal integrity and compared to the operational plan. If the invoice is accepted, reviewed, and approved by ACOU, the invoice will be forwarded to the Accounting Office for payment processing. The Accounting Office will prepare the invoices for payment and forward them to the State Controller's Office (SCO) for payment. Warrants are made payable to the LEC/LGA Treasurer. Once an invoice is sent to the SCO, a warrant may be expected within two weeks.

All paid invoices are reported to the Federal Government on a quarterly basis on the Report of Expenditures, Form 64 (HCFA 64). All invoices must be reported within two years of the end of the quarter claimed. Invoices submitted for the first time beyond the two-year time frame will be returned without being processed for payment. To comply with this requirement, all LEC/LGA invoices must be submitted to DHS within 18 months of the end of the quarter claimed.

If an invoice is denied, a LEC/LGA can request a reconsideration of the DHS decision to deny an invoice. The request must be filed in writing and within 30 days after the receipt of the written notice of denial. The review process is limited to a programmatic or accounting reconsideration based upon additional supporting documentation requested by and submitted to DHS. Revisions to previously paid invoices must follow DHS guidelines.

Examples of costs that are not claimable as Medi-Cal administration:

- Activities that are an integral part or extension of direct medical services, such as patient assessment, education, or counseling. In addition, the cost of any consultations between medical professionals is already reflected in the payment rate for medical assistance services and may not be claimed separately as an administrative cost. However, the time spent by the student's designated IEP

case manager in coordinating and monitoring consultations between professionals may be allowable MAA time under activity Code * (Referral, Coordination, and Monitoring of Medi-Cal-covered Services).

- Overhead costs of operating a provider facility.
- An activity that has been, or will be, paid as a medical assistance service (or as a service of another non-Medi-Cal program) shall not be paid again as a Medi-Cal administrative cost.
- An activity that has been, or will be, paid, as a Medi-Cal administrative cost shall not be claimed again.
- An activity that is included as part of a managed care rate and is reimbursed by the managed care organization, shall not be claimed as Medi-Cal administration or through a fee-for-service payment rate.

MAA providers must distinguish between duplicate payments for the same activity and the inefficient use of resources, which may result in the unnecessary duplication of an activity. Duplication of services or administrative activities can be avoided by coordinating activities and staff. If the same Medi-Cal-eligible child received IEP services from both a school and a medical care organization (MCO), there must be a concerted effort to ensure that Medi-Cal is not paying for the same services twice, once to the MCO and again to the school.

SUBMITTING CORRECTIONS and REVISIONS

Corrections: All invoices submitted to DHS for payment are reviewed by ACOU staff. If errors are found or additional documentation is required, DHS staff will contact the MAA Coordinator. It may be possible to resolve the error by phone or by the LEC/LGA submitting additional documentation (FAX and/or mail). If this can be accomplished in a few days, the invoice will be held in ACOU pending resolution. Otherwise, the invoice(s) will be returned to the LEC/LGA with a written explanation of the reasons it is being returned for correction.

When the LEC/LGA corrects and returns the rejected invoice, it must identify the resubmitted invoice as a Corrected Invoice. The corrected invoice must be identified as a "Correct Invoice" in the transmittal letter and in the invoice number. The invoice number should reflect the correction by adding a C-1 to the invoice number. If subsequent corrections are required, the invoice number will reflect the number of corrections (e.g., C-2).

Revisions: Sometimes, after an invoice has been processed and paid, a LEC/LGA may need to revise the invoice. In these situations, the invoice should be recomputed and resubmitted along with a copy of the original paid invoice summary sheet. The revised invoice must be identified as a "Revised Invoice" in the transmittal letter and in the invoice number (e.g., R-1). If the revision results in a DHS credit

invoice, the LEC/LGA must submit a check in the amount of the **difference** along with a copy of the original invoice and the revised invoice.

A LEC/LGA may need to revise the invoice before the invoice has been paid. In these situations, the LEC/LGA must submit the revised invoice showing the difference between the original and the recomputed amounts. The LEC/LGA should request that the original invoice be replaced with the revision (only if it has not already been sent to DHS Accounting from the ACOU for payment). The revised invoice must be identified as a "Revised Invoice" in the transmittal letter and in the invoice number (e.g., R-1).

Credits: Every credit Revised Invoice submitted to DHS must be accompanied with a check from the respective entity in the amount of the revision (i.e., the **difference** between the original amount and the revised amount).

Note: Corrections and Revisions require a new MAA Summary Invoice and Checklist.

CHECKLIST FOR PREPARING THE MAA DETAIL INVOICE

Each Medi-Cal Administrative Activities (MAA) Detail Invoice must include a completed checklist verifying completion of the following requirements before it will be processed for payment. In addition, the claims will be reviewed for reasonableness and consistency.

- _____ The proper format is used.
- _____ The LEC/LGA name is on the invoice.
- _____ The correct contract number is used.
- _____ The period of service is correct.
- _____ The Claiming Unit name is the same as identified on the Grid.
- _____ The California District Code Number is the same as identified on the Grid.
- _____ The invoice number matches the period of service. If the invoice is a correction, add C-1, C-2, etc. If the invoice is a revision, add R-1, R-2, etc.
- _____ The methodology (actual client count/DHS tape match) is correct.
- _____ The required certification statements are signed (preferably in BLUE ink).
 - MAA Summary Invoice
 - FFP Calculations Worksheet of the LEA MAA Detail Invoice.
- _____ The total amount to be reimbursed is greater than zero and there are no "Error" comments on the claim.
- _____ The required supporting documentation is attached.
 - (A description of "Other Costs" for each Cost Pool, except the Others Cost Pool for nonclaimable cost, for the initial quarterly claim of each fiscal year.)
- _____ The original of the claim and two copies are included.

SIGN AND DATE TO INDICATE THAT ALL ABOVE ITEMS HAVE BEEN REVIEWED PRIOR TO SUBMISSION.

SIGNATURE

DATE

CHECKLIST FOR PREPARING THE MAA SUMMARY INVOICE

Each MAA Summary Invoice sent to DHS' Administrative Claiming Operations Unit (ACOU) by the LEC/LGA must be accurate and complete. To assist the staff in reviewing and processing your MAA Claims expeditiously, please complete this checklist and verify the following items before sending your MAA Summary Invoice to be processed by the ACOU.

- _____ Prepare a cover letter identifying any irregularities or variations in the MAA Detail Invoice, and attach it to the MAA Summary Invoice.
- _____ Confirm that the MAA Summary Invoice is prepared on the letterhead of the agency that is under contract with DHS.
- _____ Confirm that the LEC/LGA Name is correct.
- _____ Confirm that the contract number is correct.
- _____ Confirm that the period of service is correct and that it matches the period of service on the corresponding MAA Detail Invoice.
- _____ Confirm that the Claiming Unit name is the same as it appears on the MAA Detail Invoice.
- _____ Verify that the invoice number is the same as the MAA Detail Invoice.
- _____ Confirm that the amount to be reimbursed on the MAA Summary Invoice is the same as the Total Federal Share amount on the FFP Calculations Worksheet.
- _____ Confirm that the MAA Summary Invoice is dated and has an original signature (preferably in blue ink).

SIGN AND DATE TO INDICATE THAT ALL ABOVE ITEMS HAVE BEEN REVIEWED PRIOR TO SUBMISSION.

SIGNATURE

DATE